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DECEMBER 1979 SURVEY January 7, 1980

Monitoring Economic Change Program

Surveys of Consumer Attitudes • Economic Outlook USA

CONSUMER PESSIMISM CONTINUES

**In the December 1979 Survey, the Index of Consumer Sentiment was 61.0, down 2.3 Index-points from November, and 5.1 Index-points below December 1978. On balance, the Index of Consumer Sentiment has remained largely unchanged during the last 3 months of 1979. During this time, however, evaluations of current personal finances and market conditions have declined significantly, while expectations for future changes in business conditions have showed modest improvement.

**Among families with incomes of $15,000 or more, the Index of Consumer Sentiment was 55.1 in December 1979, down 2.1 Index-points from November, and 6.1 Index-points from December 1978. Among all families, the high-income Index value has remained largely unchanged during the last three months of 1979 at near record low levels.

**In the December 1979 Survey, nearly half of all families (46 percent) felt that they were worse off financially than a year earlier, and one-in-four (26 percent) expected their personal financial situation to worsen in the year ahead.

**Long and short term business expectations have remained decidedly pessimistic in the December survey. Among all families, 66 percent expect bad times financially in the economy as a whole during the next 5 years (up from 57 percent in December 1978), while 15 percent expected good times financially (up from 10 percent in December 1978).

**The December 1979 Survey revealed a significant shift in interest rate expectations: the proportion who now expect declines has increased to 34 percent, up from 15 percent in November and 7 percent in October 1979. Just 40 percent expect further interest rate increases, down from 62 percent in November and 70 percent in October and September 1979.

**Consumers continue to expect double digit inflation, with the average expected rate of inflation recorded at 10.4% in the December survey.

* * *

At year end 1979, the expectation of increasing unemployment and double-digit inflation was widespread among consumers. Almost half reported that their personal financial situation had worsened during the past year, and two-in-three expected bad times financially for the economy as a whole in the year ahead.

During the past several months, buying attitudes, which had been maintained at an elevated level due to buy-in-advance psychology, have been seriously weakened by high interest rates and tight credit conditions.

After more than two years of growing pessimism, the current state of consumer sentiment is similar to prior cyclical lowpoints, although subject to some further downward movement.

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Personal Finances

By the end of 1979, evaluations of personal financial progress were less favorable than at any time except the 1974-75 record lowpoint. In the December 1979 survey, 27 percent said they were better off financially than a year ago (down from 30 percent in November) and 46 percent reported being worse off financially in December (up from 44 percent in November 1979). During the past two years, there has been a substantial increase in the proportion of respondents who report being worse off financially, rising from 29 percent in late 1977, to 38 percent in December 1978, and 46 percent in December 1979. When asked to explain why their financial situation had changed, higher prices making them worse off financially was mentioned by 46 percent of all respondents in December 1979, up from 31 percent in December 1978. Respondents were almost as likely to mention past income increases in December 1979 as in the December 1978 survey (28 versus 32 percent).

In each of the 12 surveys conducted in 1979, proportionately more respondents said they expected to be worse rather than better off financially in the year ahead. Such a plurality of unfavorable personal financial expectations was recorded in only one survey prior to 1979--conducted in late 1974. By year end 1979, personal financial expectations were somewhat above the record low levels recorded at mid-year. Among all families, 25 percent expected to be better off financially in a year (up from 21 percent in November 1979 and December 1978), while 26 percent expected to be worse off financially (down from 24 percent in November 1979 and December 1978).

Business Conditions

News heard of recent changes in business conditions remained overwhelmingly negative in the December 1979 survey, with reports of unfavorable news items exceeding favorable by a margin of 81 to 10 percent. Among all families, 66 percent felt that business conditions had worsened (up from 43 percent in December 1978), while just 21 percent reported that business conditions were now better than those of a year earlier (down from 31 percent in December 1978). The majority of the decline in evaluations of current business conditions occurred during 1978 and during the first half of 1979; since July 1979 these evaluations have remained largely unchanged.

In contrast, the future outlook for business conditions improved somewhat from the mid-1979 record low levels. In December 1979, the proportion of respondents who expected business conditions to further worsen exceeded the proportion who expected improvement by a margin of 35 to 18 percent; this represents a small improvement over the negative margin of 43 to 11 percent recorded in July 1979, and nearly equal the 38 to 13 percent margin recorded in December 1978.

The majority of respondents continued to expect bad times financially in the economy during the next 12-month and five-year periods. In the December 1979 survey, respondents expected bad rather than good times financially in the economy as a whole during the next 12 months by a margin of 68 to 20 percent. Although this represents a small improvement over the July 1979 lowpoint(74 versus 13 percent), it remains a more pessimistic view than recorded in December 1978 (58 versus 19 percent).

Interest rates expectations changed significantly by year-end 1979. In the December 1979 survey, 40 percent reported that they expected interest rates to increase during the year ahead, down from 62 percent in November 1979, and 66 percent in December 1978. Interest rates were expected to decline by 34 percent of all respondents in December 1979, compared with 15 percent in November 1979, and just 6 percent in December 1978.

Consumers expected prices to increase on average by 10.4% in the December 1979 survey, down from the 11.2% recorded in November, but significantly higher than the 7.9% recorded in December 1978. Expected changes in the unemployment rate returned to its mid-1979 low reading. In December 1979, 61 percent of all families expected unemployment to increase, up from 54 percent in November 1979, and 46 percent in December 1978. Concern with unemployment rather than inflation as the most serious economic problem facing the nation has grown in relative importance, although inflation still dominates public concern. In the December 1979 survey, 28 percent reported that unemployment was the more serious economic problem, up from 24 percent in November 1979 and 23 percent in December 1978; in comparison, 60 percent reported that inflation was the more serious economic problem, down from 65 percent in November 1979 and 65 percent in December 1978.

Confidence in government economic policy to combat inflation and unemployment partially recovered losses recorded in mid-1979. In December 1979, 37 percent of all respondents rated the government as doing a poor job, down from 39 percent in November, but it remains above the 32 percent recorded in December 1978.

Buying Attitudes Weaken

Unfavorable attitudes toward buying conditions for large household durables increased significantly in the December 1979 survey. Among all families, 41 percent reported unfavorable durable buying attitudes in December, up from 33 percent in

November 1979, and 30 percent in December 1978. The proportion who reported favorable buying attitudes toward household durables remained unchanged (53 percent in both December 1979 and December 1978). The growth in unfavorable attitudes toward durable buying conditions can be traced to more frequent mentions of postponement because of high prices which may fall later (26 percent in December 1979, up from 18 percent in November 1979), and more frequent complaints about high interest rates (12 percent in December 1979, up from 3 percent in November 1979).

The December 1979 survey recorded a modest improvement in attitudes toward buying conditions for automobiles. In December 1979, 44 percent of all families rated buying conditions for autos as favorable (up from 38 percent in November 1979), while 47 percent reported unfavorable buying attitudes (down from 52 percent in November 1979). The proportion of respondents who expressed favorable buying attitudes in the December 1978 and December 1979 surveys were nearly identical (42 versus 44 percent), while the proportion holding unfavorable attitudes increased from 37 percent in December 1978 to 47 percent in December 1979. This significant increase in unfavorable attitudes can be traced to more frequent mentions of tight credit conditions and high interest rates (16 percent in December 1979 compared with 6 percent in December 1978), and greater concern with the energy crisis (12 percent in December 1979 compared with 3 percent in December 1978). Although the proportion of respondents holding favorable buying attitudes has remained largely unchanged during the past year, the reasons underlying these views have shifted from buy-in-advance price rationales (21 percent in December 1979 compared with 31 percent in December 1978) to more frequent mentions of low prices (15 percent in December 1979, up from 4 percent in December 1978), and the availability of new fuel efficient models (10 percent in December 1979, up from 2 percent in December 1978).

Attitudes toward buying conditions for houses remained at the greatly depressed levels first recorded in the November 1979 survey. Among all families, 66 percent reported unfavorable attitudes toward buying conditions for homes -- (unchanged from the 66 pecent recorded in November 1979, but significantly above the 42 percent recorded in December 1978). Just 27 percent reported favorable home buying attitudes, similar to the 28 percent recorded in November, and significantly below the 45 percent recorded in December 1978.

The December survey included 850 interviews, conducted between November 24 and December 19, 1979.

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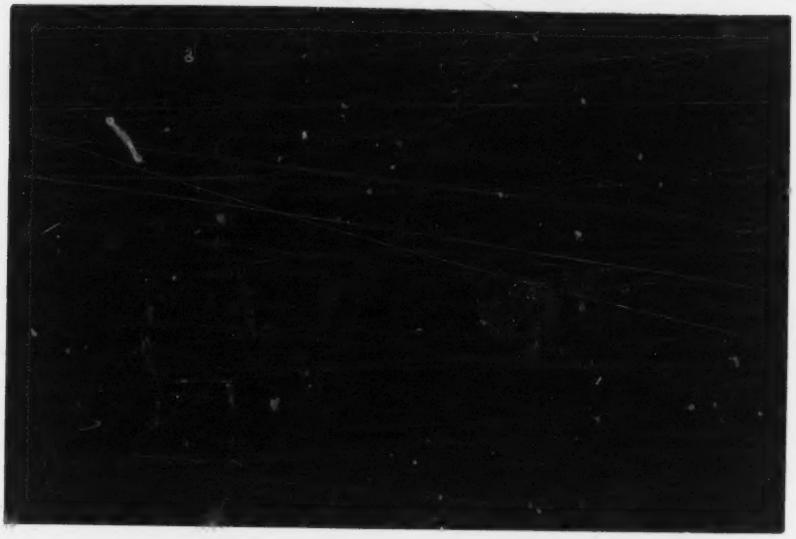
SURVEYS OF CONSUMER ATTITUDES



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TABLES AND CHARTS

JANUARY 1980

THE JANUARY 1980 SURVEY IS THE 114TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

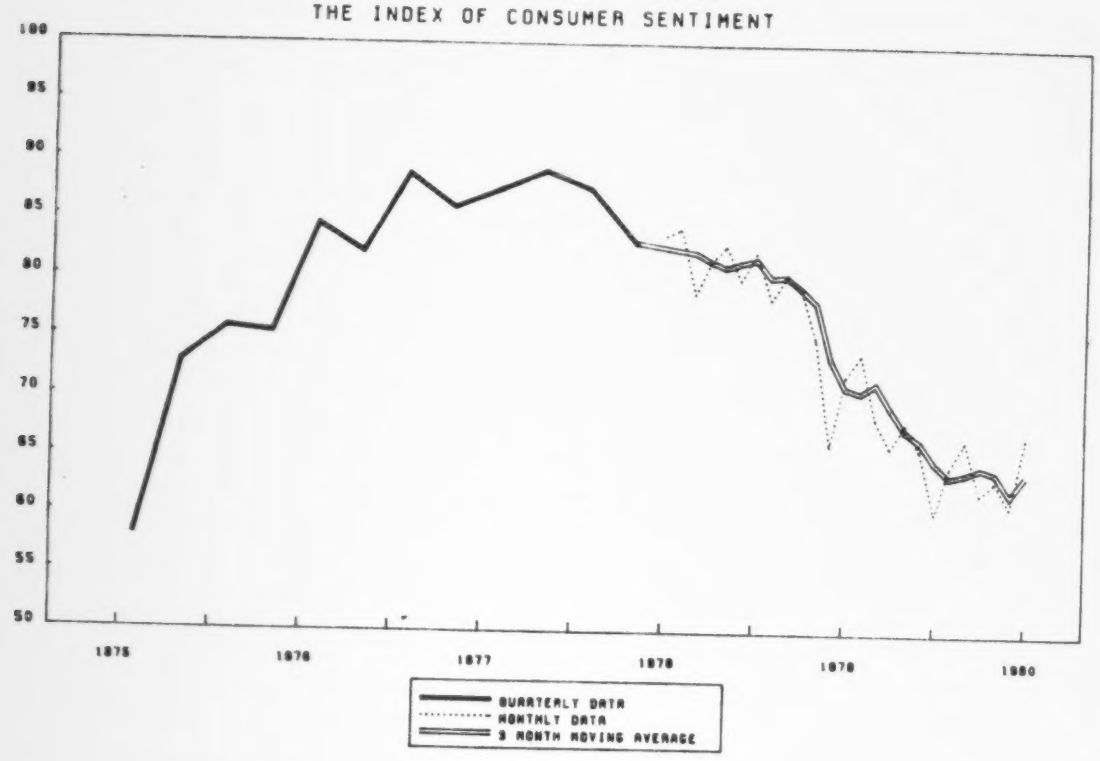

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

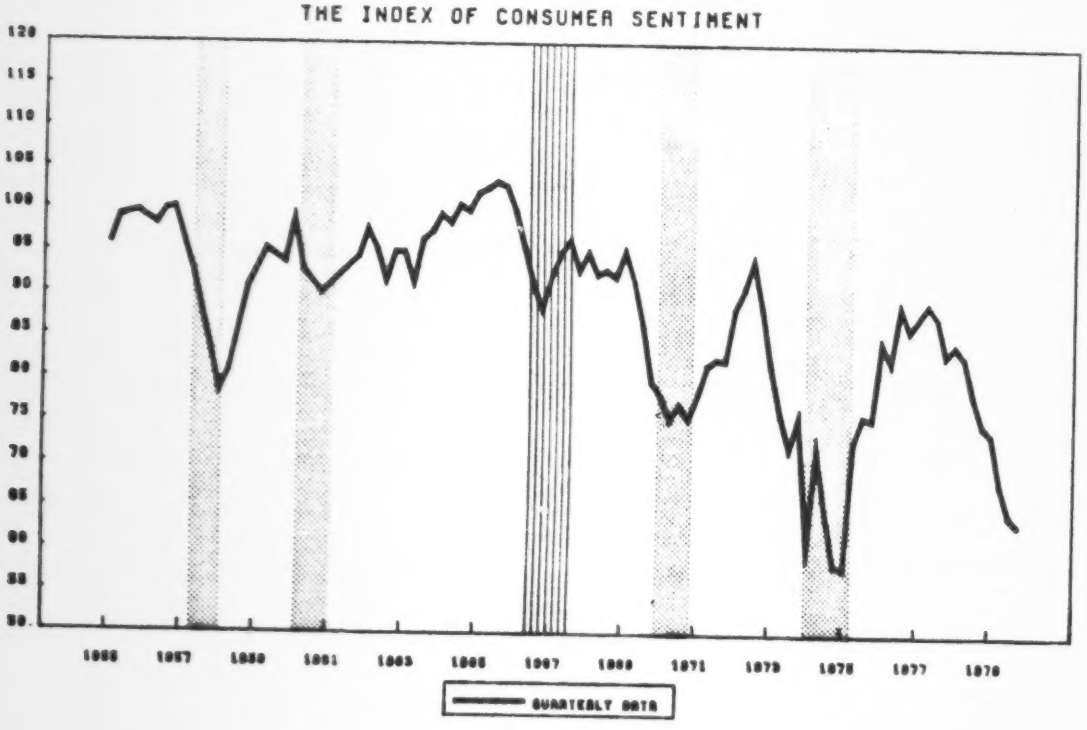

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY	ALL FAMILIES	INCOME $15,000+
FEBRUARY 1974	60.9	56.3
MAY 1974	72.0	65.4
AUG-SEPT. 1974	64.5	55.0
OCTOBER 1974	58.4	55.4
FEBRUARY 1975	58.0	53.6
MAY 1975	72.9	66.2
AUG-SEPT. 1975	75.8	71.1
OCT-NOV. 1975	75.4	70.6
FEBRUARY 1976	84.5	78.1
MAY 1976	82.2	82.5
AUG-SEPT. 1976	88.8	87.3
NOV-DEC. 1976	86.0	80.9
FEBRUARY 1977	87.5	87.3
MAY 1977	89.1	84.0
AUG-SEPT. 1977	87.6	85.3
NOV-DEC. 1977	83.1	81.1
JANUARY 1978	83.7	80.3
FEBRUARY 1978	84.3	83.2
MARCH 1978	78.8	74.3
APRIL 1978	81.6	80.4
MAY 1978	82.9	74.7
JUNE 1978	80.0	77.8
JULY 1978	82.4	79.6
AUGUST 1978	78.4	72.5
SEPTEMBER 1978	80.4	76.1
OCTOBER 1978	79.3	76.1
NOVEMBER 1978	75.0	67.7
DECEMBER 1978	66.1	61.2
JANUARY 1979	72.1	68.4
FEBRUARY 1979	73.9	70.9
MARCH 1979	68.4	65.2
APRIL 1979	66.0	61.4
MAY 1979	68.1	62.1
JUNE 1979	65.8	60.1
JULY 1979	60.4	55.7
AUGUST 1979	64.5	59.1
SEPTEMBER 1979	66.7	58.5
OCTOBER 1979	62.1	56.5
NOVEMBER 1979	63.3	57.2
DECEMBER 1979	61.0	55.1
JANUARY 1980	67.0	58.7

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY	1976	103	124	118	79	128	90.2	81.0
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	52.0
JANUARY	1980	96	106	58	47	127	87.1	54.1

PERSONAL FINANCIAL ATTITUDES
1* BETTER OR WORSE OFF THAN A YEAR AGO
2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
3* NEXT 12 MONTHS
4* NEXT 5 YEARS
MARKET CONDITIONS
5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

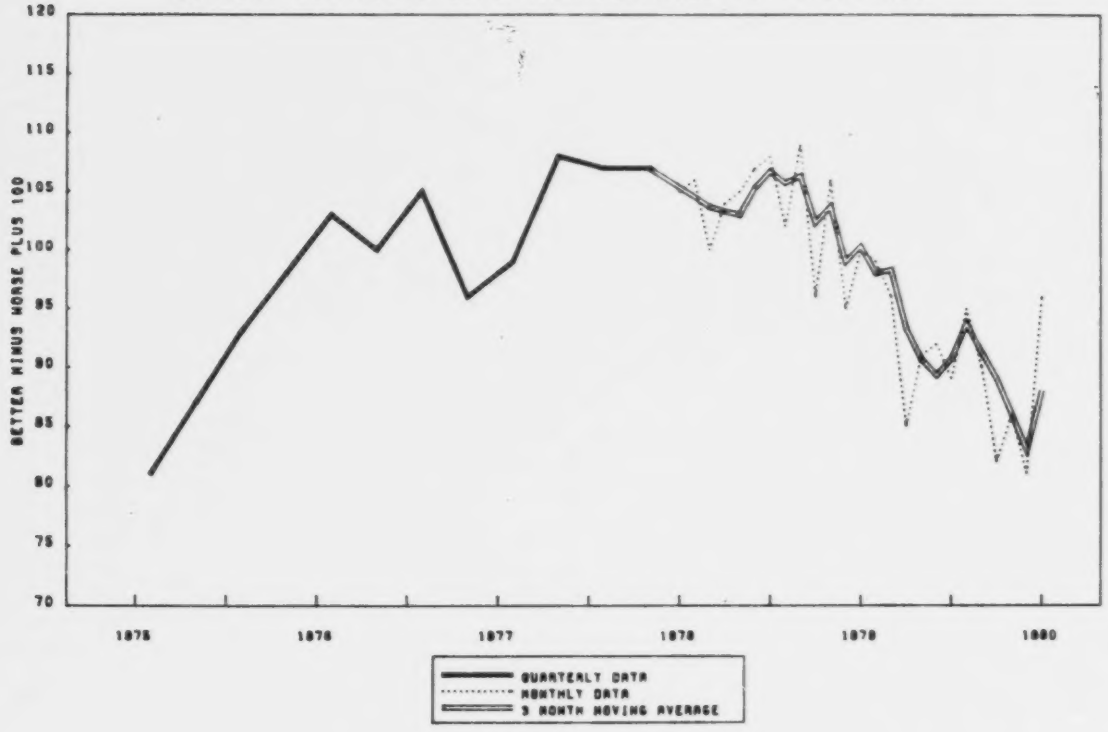

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

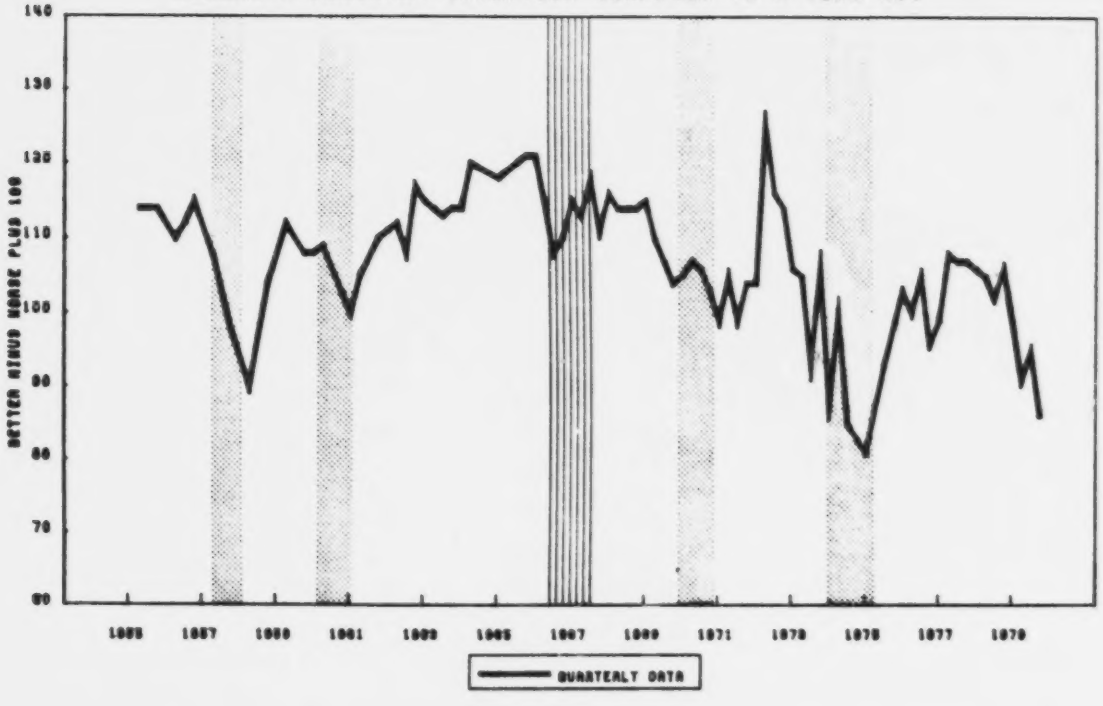

TABLE 4

CURRENT FINANCIAL SITUATION
COMPARED TO A YEAR AGO

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER OFF	38%	34%	32%	30%	31%	34%	31%	33%	31%	28%	30%	27%	34%
SAME	23	30	32	24	29	24	27	28	27	26	25	26	28
WORSE OFF	38	35	36	45	40	42	42	38	41	46	44	46	38
DK, NA	1	1	*	1	*	*	*	1	1	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

TABLE 5

SELECTED REASONS FOR OPINIONS
ABOUT PERSONAL FINANCIAL SITUATION NOW
COMPARED TO A YEAR AGO

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER OFF BECAUSE:													
INCOME IS HIGHER	34%	28%	32%	33%	29%	32%	31%	29%	30%	28%	31%	28%	34%
WORSE OFF BECAUSE:													
INCOME IS LOWER	13	14	11	13	11	9	12	11	13	13	15	15	13
HIGHER PRICES	33	33	38	46	43	47	44	40	47	48	47	46	39

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

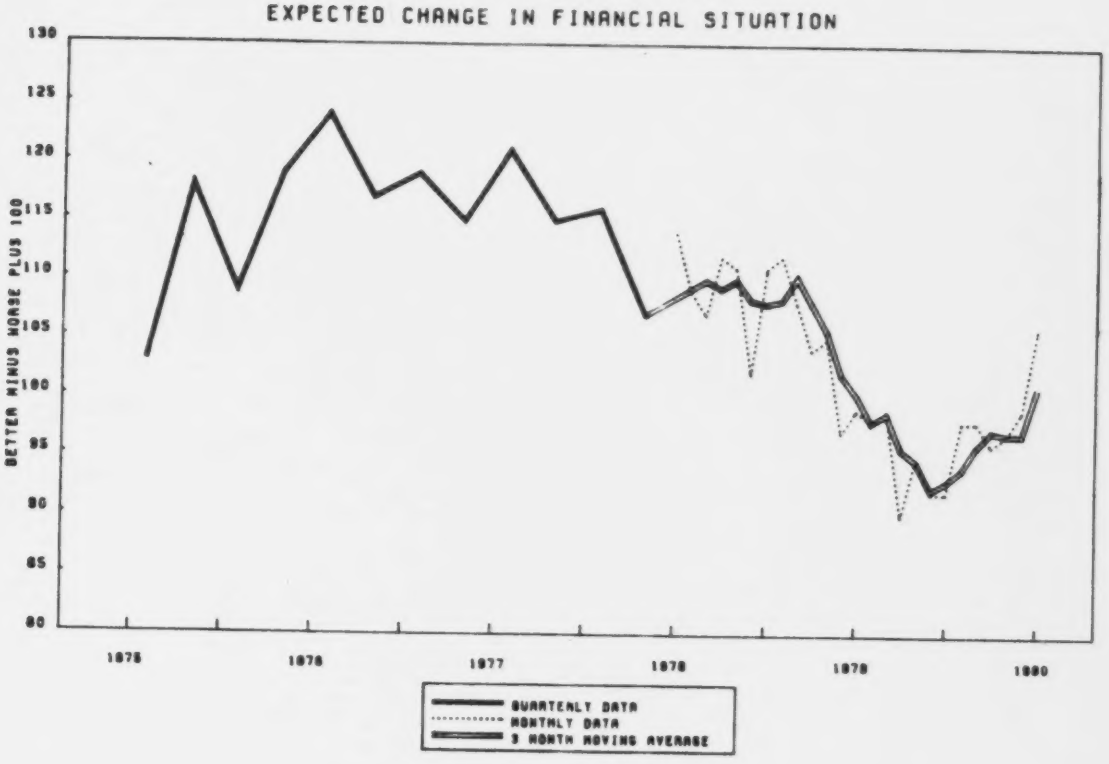

CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

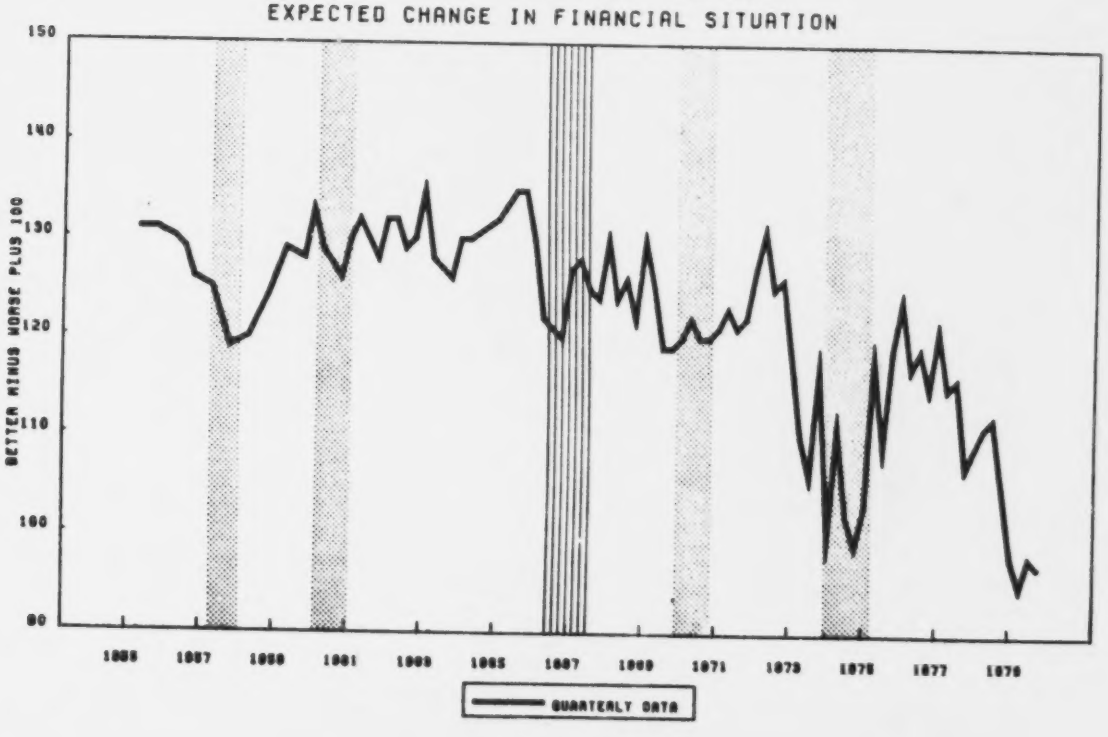

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER OFF	22%	24%	24%	21%	21%	21%	20%	23%	24%	24%	21%	25%	28%
SAME	51	45	48	45	49	46	49	50	47	45	53	44	46
WORSE OFF	23	26	25	31	26	29	28	25	26	28	24	26	22
DK/NA	4	5	3	3	4	4	3	2	3	3	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

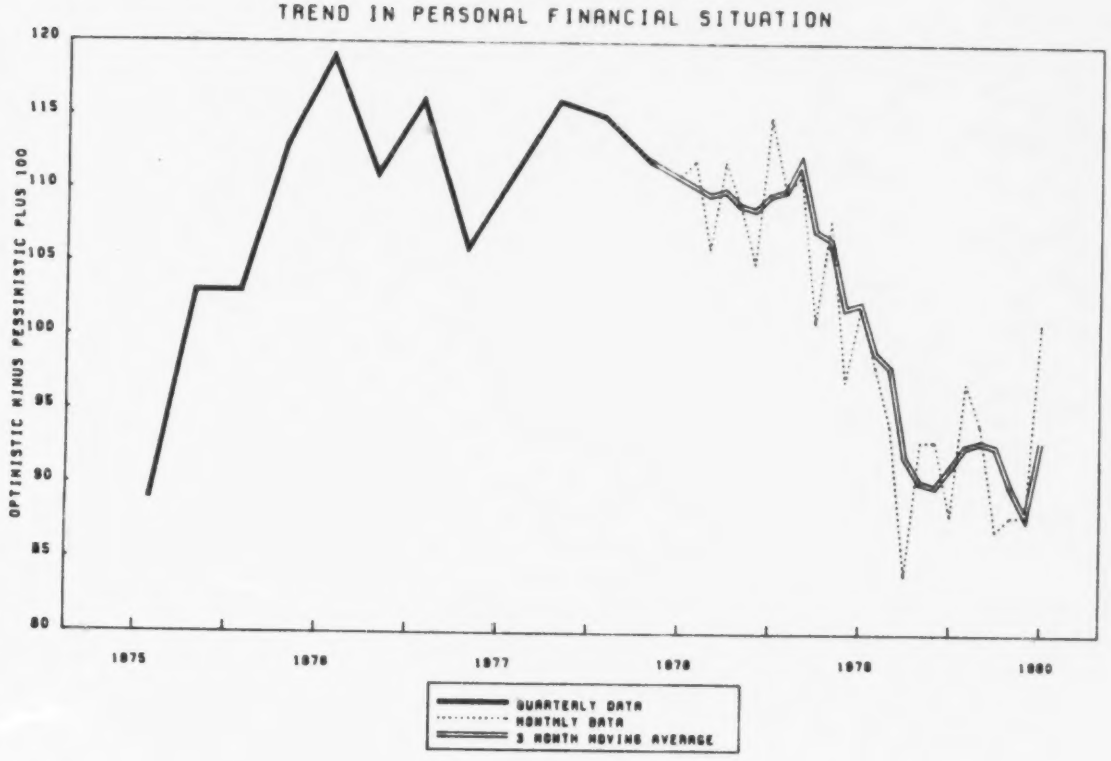

CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

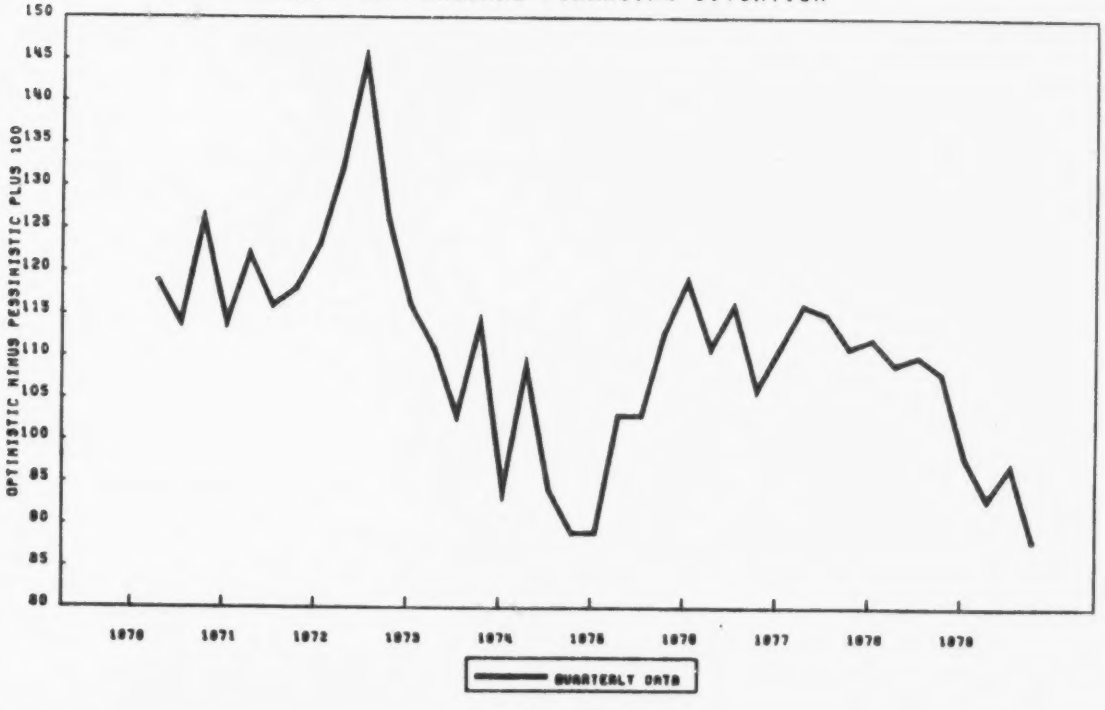

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
B/B+	14%	13%	15%	13%	9%	11%	11%	13%	11%	11%	11%	12%	15%
B/S, S/B	24	20	17	17	21	22	19	21	20	18	19	17	21
S/S	15	17	18	13	17	13	16	17	16	14	16	14	16
W/S, S/W	20	20	24	26	21	21	24	22	21	23	26	23	20
W/W	16	15	14	20	17	19	18	15	16	19	16	18	13
W/B, B/W	8	10	8	8	10	10	8	9	13	12	10	12	11
DK, NA	3	5	4	3	5	4	4	3	3	3	2	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
INCOME UP MORE	9%	10%	9%	10%	11%	9%	11%	12%	9%	9%	10%	10%	8%
INCOME UP SAME	35	35	35	30	36	35	32	34	35	35	38	35	36
PRICES UP MORE	51	49	52	56	48	53	55	50	53	52	49	51	52
DK, NA	5	6	4	4	5	3	2	4	3	4	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO — DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

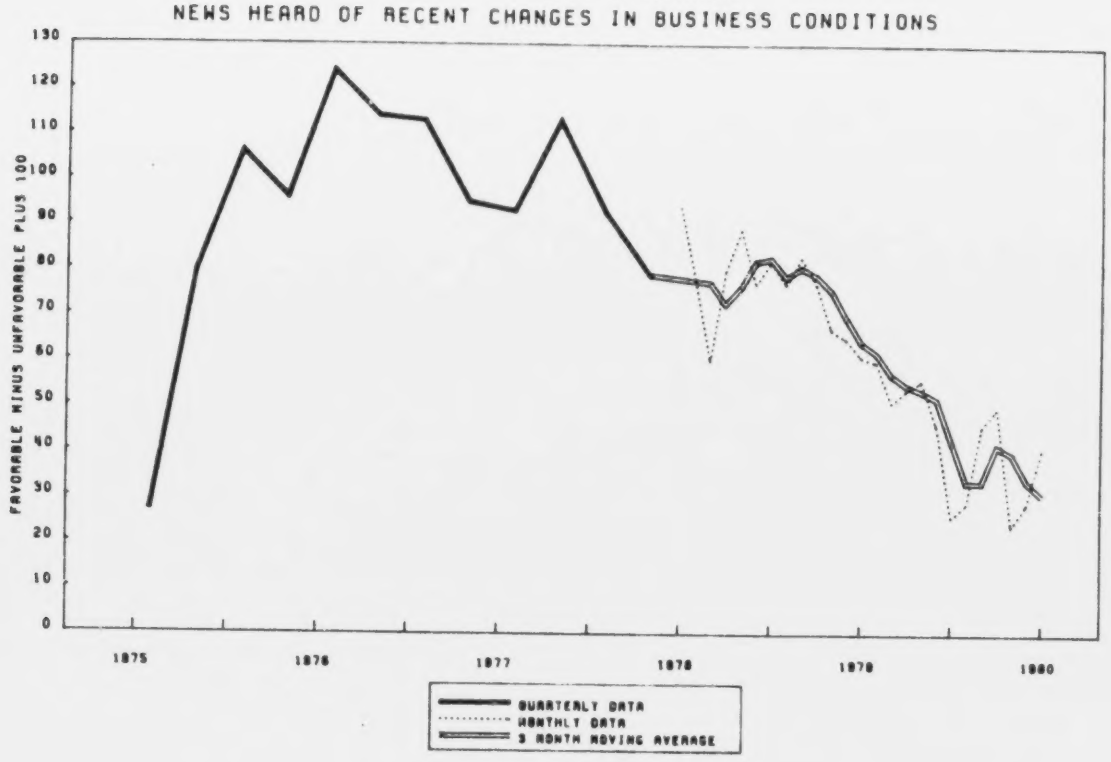

CHART 11 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

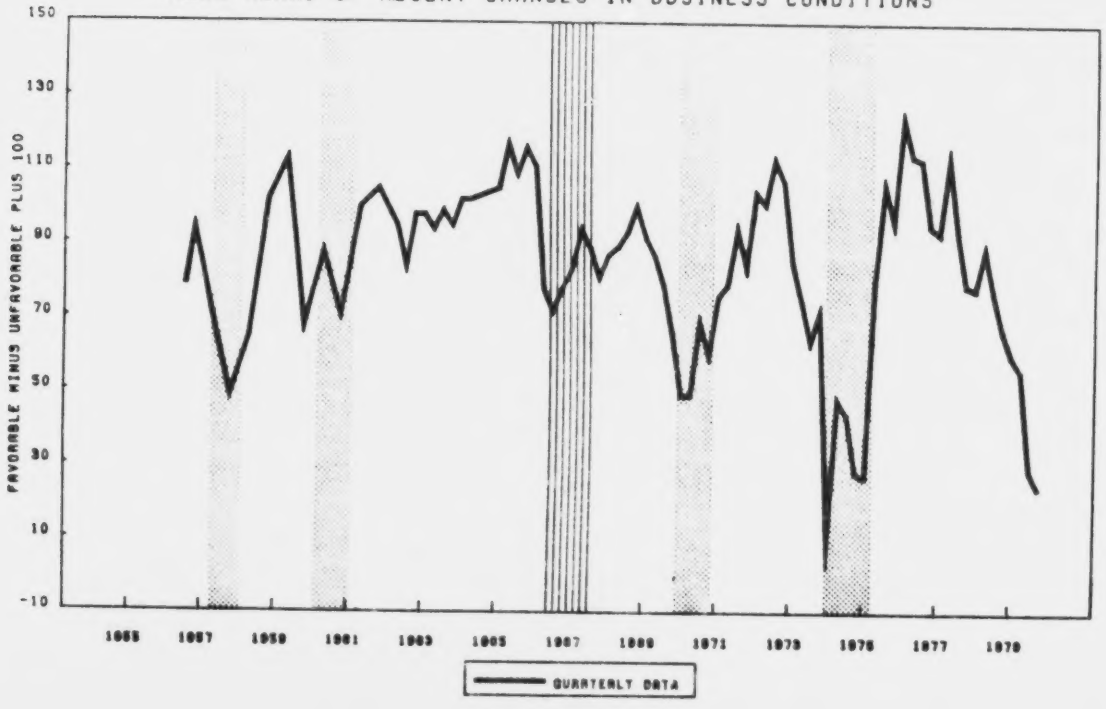

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
FAVORABLE NEWS	15%	21%	13%	18%	18%	13%	12%	15%	11%	13%	11%	10%	17%
UNFAVORABLE NEWS	54	61	62	64	62	67	86	86	65	63	87	81	76
NO MENTIONS	47	45	44	40	46	43	33	34	47	47	38	41	39

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

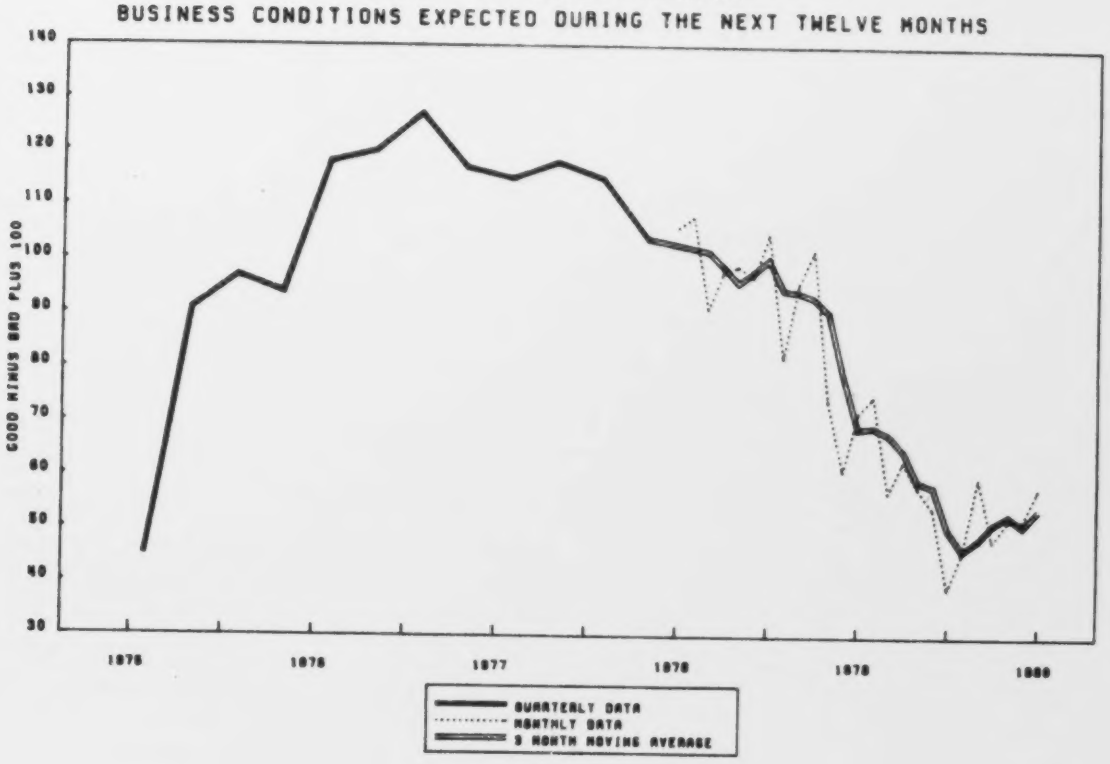

CHART 12 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

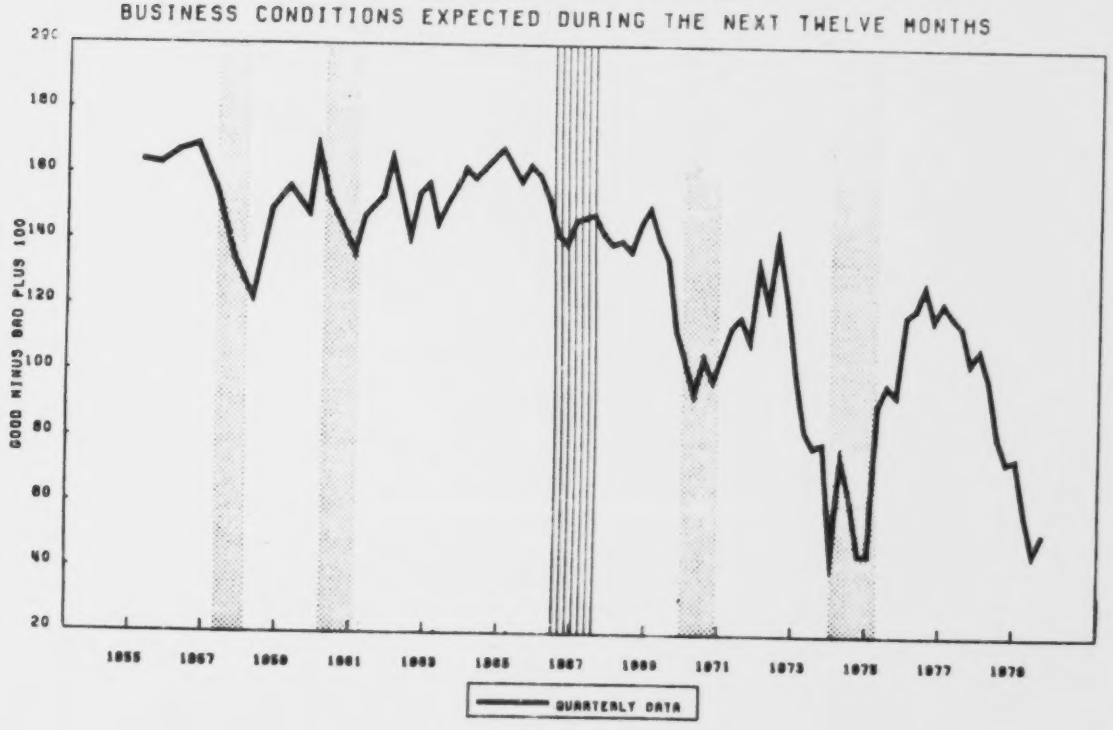

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIMES	27%	29%	20%	24%	21%	20%	13%	17%	23%	18%	20%	20%	24%
GOOD IN SOME WAYS, BAD IN OTHERS	6	6	3	5	5	2	1	3	3	1	3	2	1
BAD TIMES	55	54	63	61	63	66	74	71	63	70	68	68	66
UNCERTAIN	6	8	8	5	4	5	4	5	5	5	4	4	4
NOT ASCERTAINED	6	3	6	5	7	7	8	4	6	6	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE -- DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

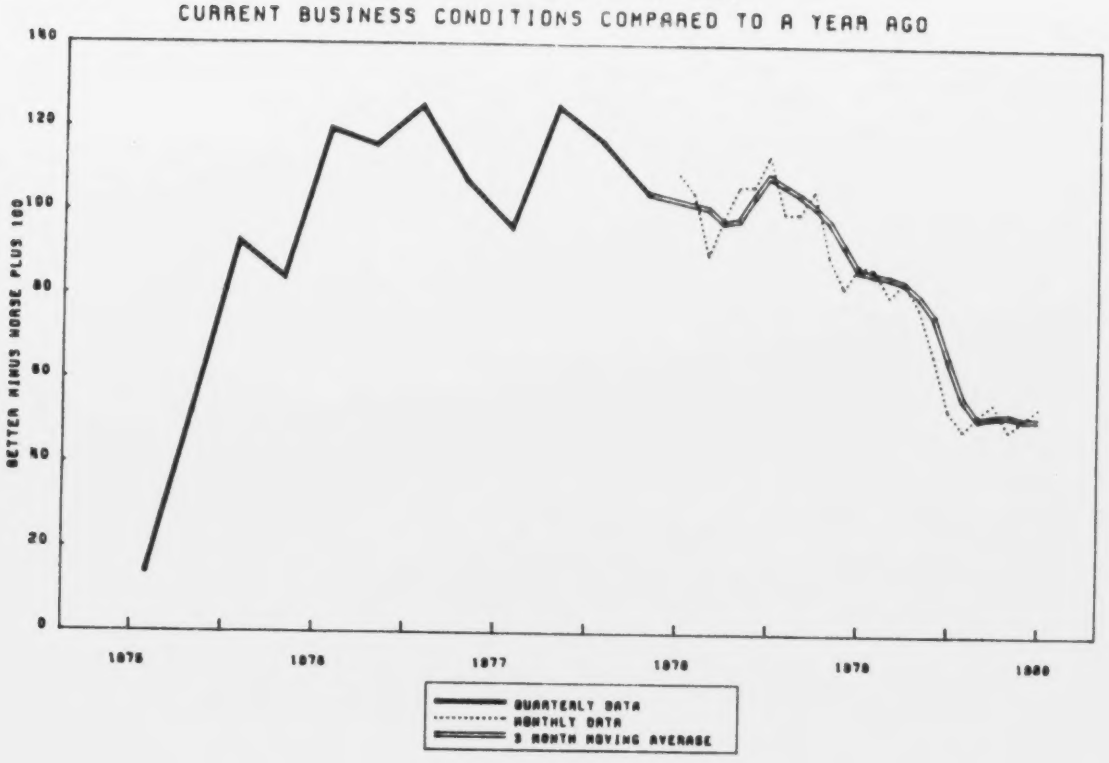

CHART 13 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

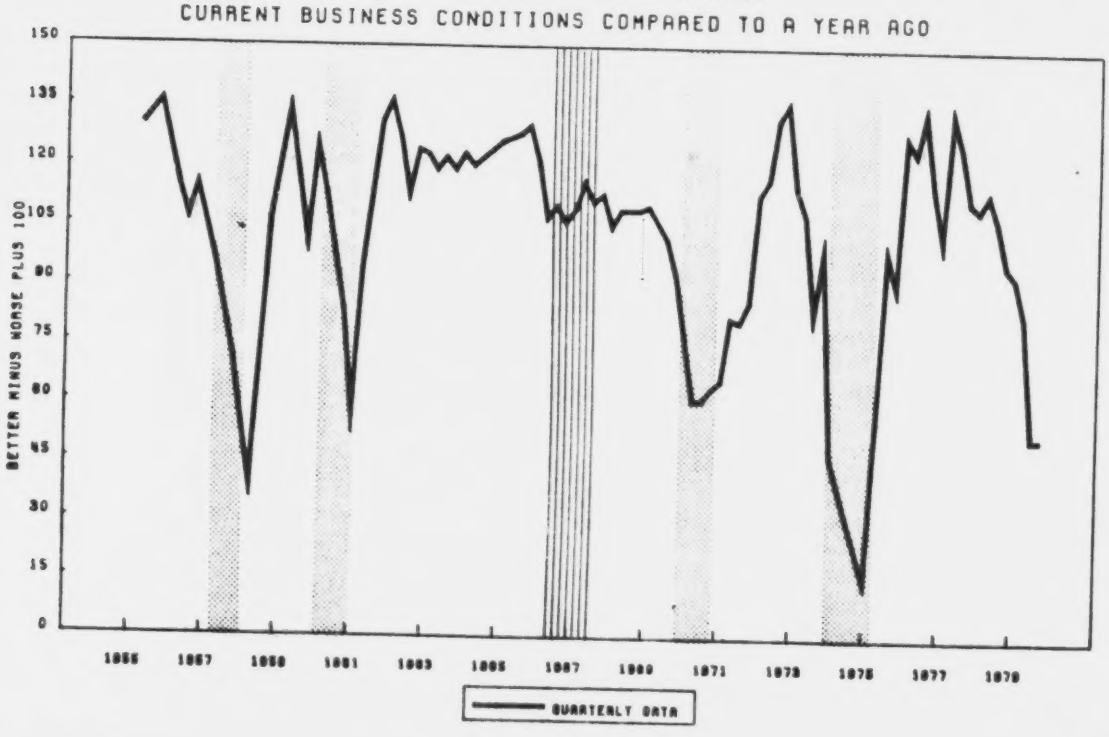

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER NOW	38%	37%	33%	36%	33%	27%	22%	20%	22%	22%	19%	21%	21%
SAME	14	15	16	13	15	13	10	10	9	12	12	12	15
WORSE NOW	44	44	47	46	50	56	65	68	66	63	67	66	62
DK, NA	4	4	4	5	2	4	3	2	3	3	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

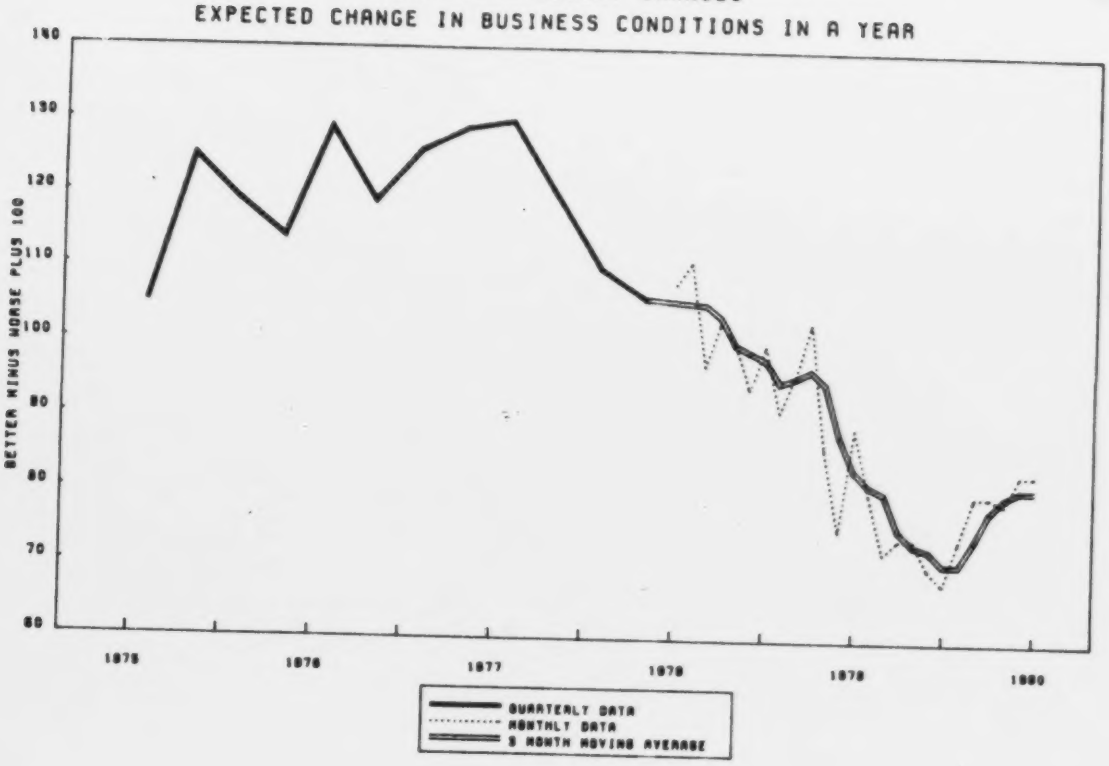

CHART 14 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

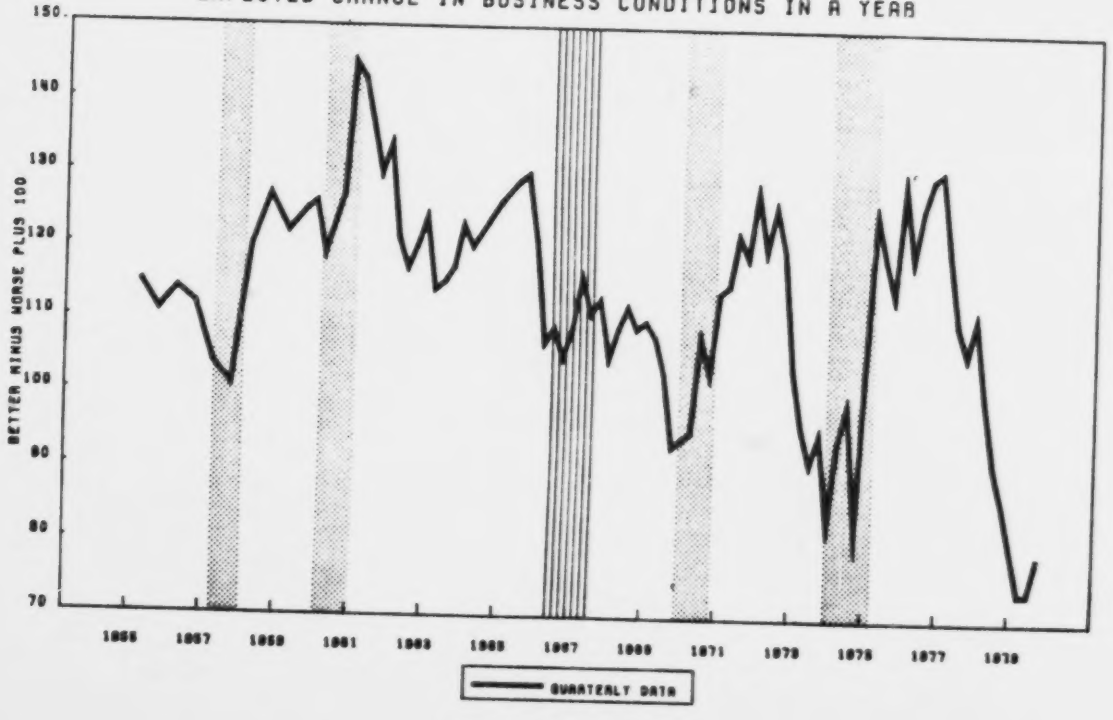

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER	19%	14%	10%	12%	11%	12%	11%	13%	15%	15%	15%	18%	17%
SAME	48	48	47	45	49	42	43	46	46	47	47	43	44
WORSE	30	34	38	38	37	42	43	39	35	35	36	35	35
DK, NA	3	4	5	5	3	4	3	2	4	3	2	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

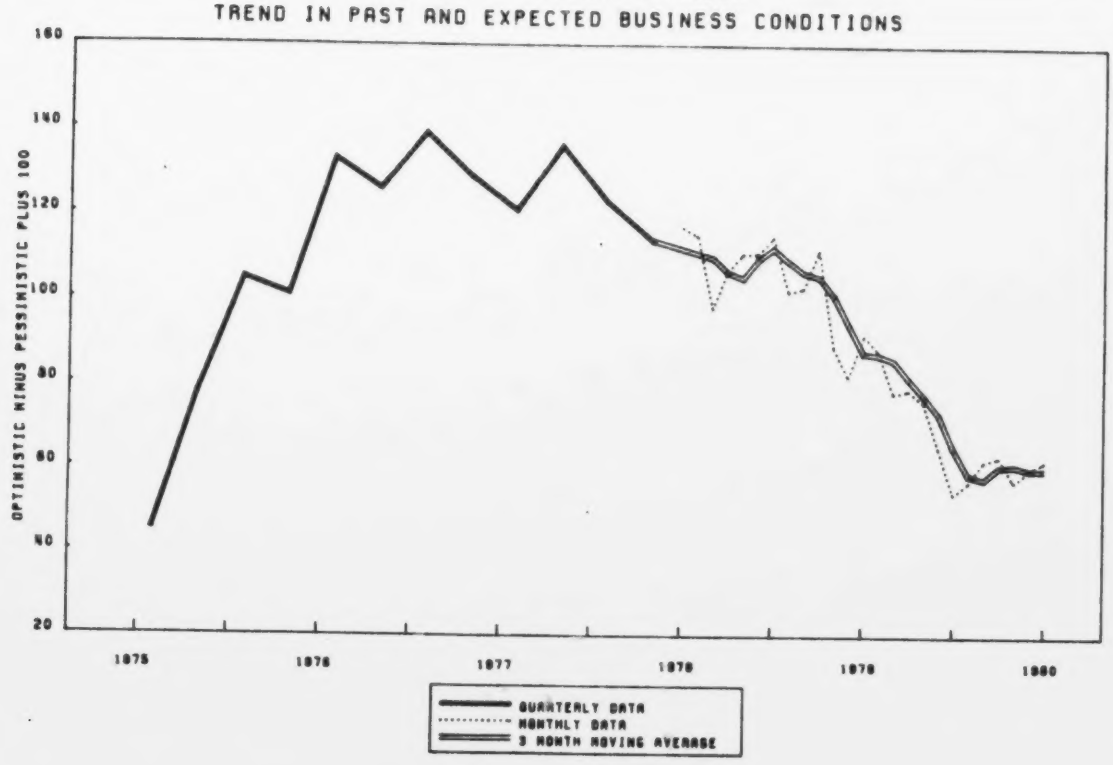

CHART 15 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

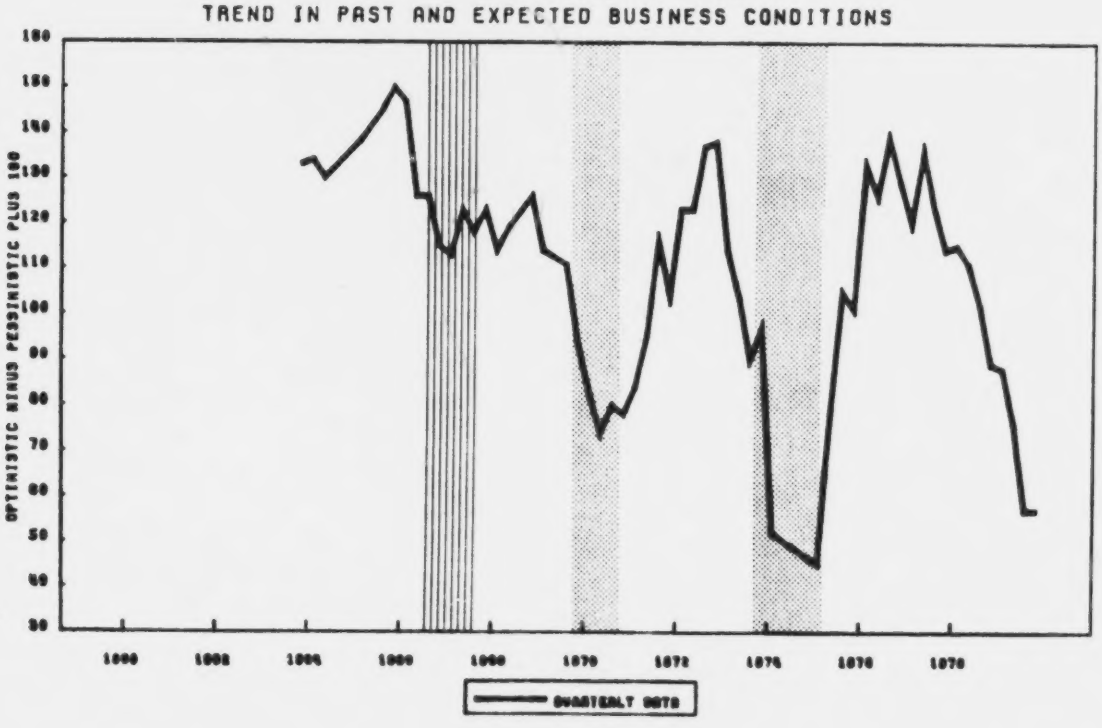

TABLE 15

TREND IN PAST AND EXPECTED
CHANGES IN BUSINESS CONDITIONS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
B/B+	10%	9%	5%	8%	7%	6%	3%	4%	5%	6%	4%	6%	6%
B/S, S/B	23	21	20	17	17	13	13	13	14	13	12	11	10
S/S	8	9	8	8	10	7	5	5	5	7	8	6	9
W/S, S/W	21	20	23	23	25	27	29	30	30	31	30	29	30
W/W	20	22	24	23	23	28	33	31	27	26	29	28	24
W/B, B/W	13	12	11	14	13	12	13	12	13	11	14	14	16
DK, NA	5	7	9	7	5	7	4	5	6	6	3	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

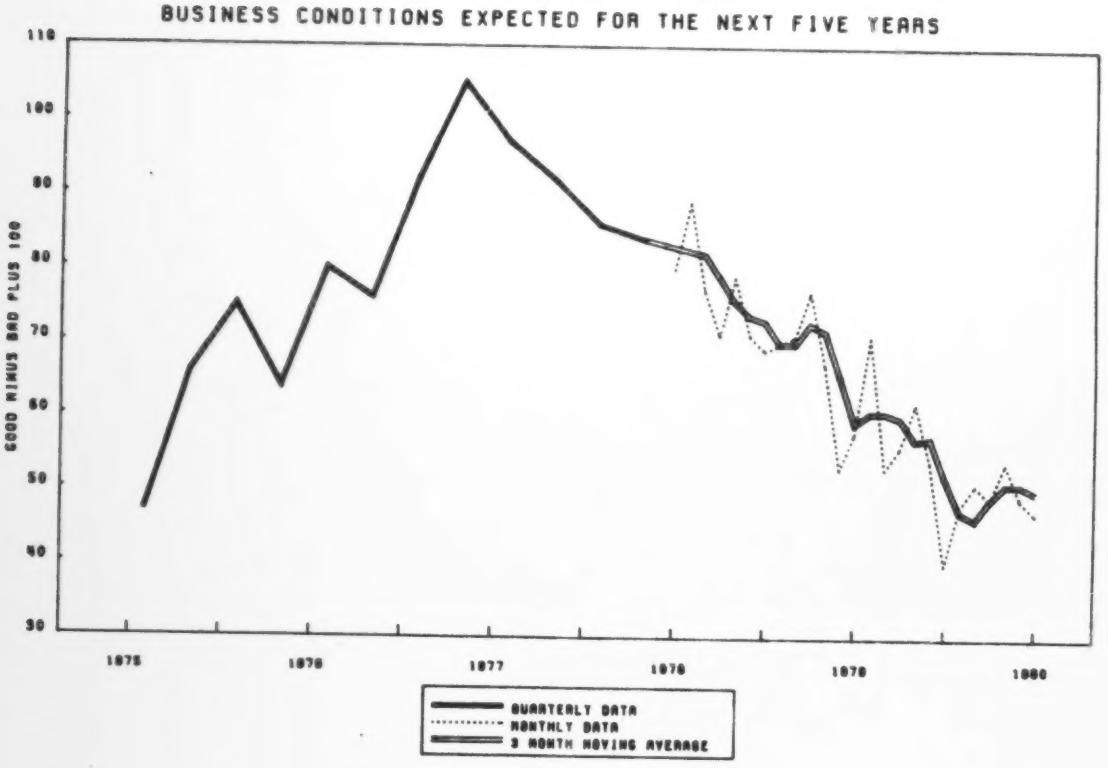

CHART 16 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

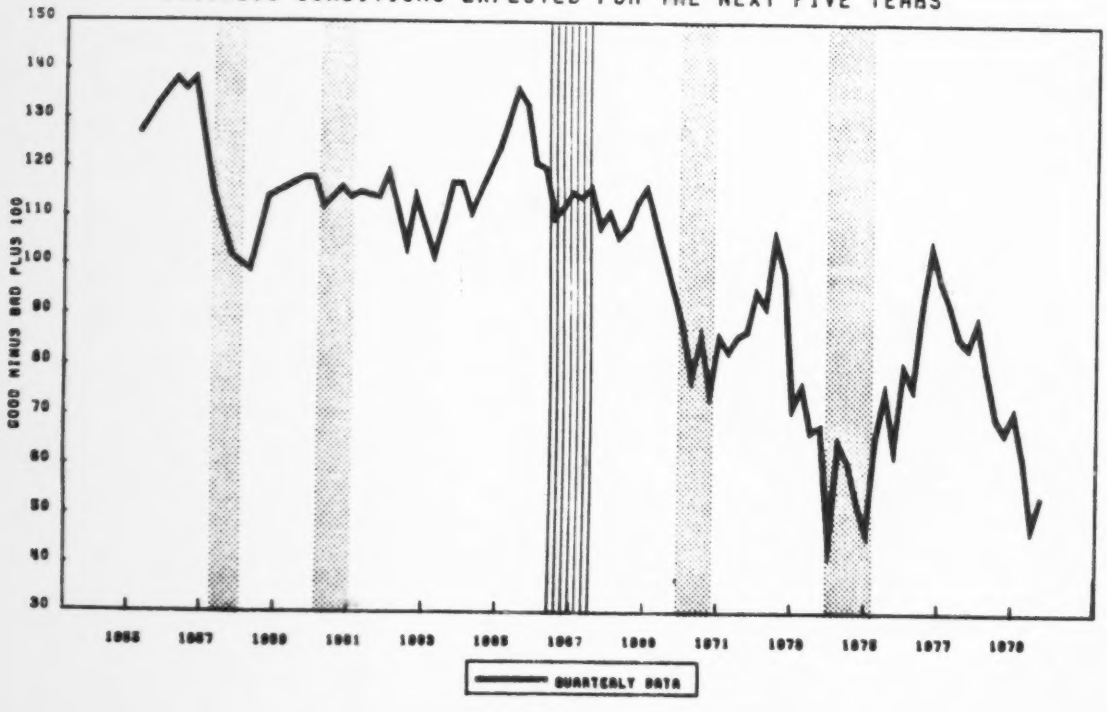

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIMES	18%	23%	16%	18%	19%	14%	10%	14%	16%	16%	18%	15%	17%
UNCERTAIN, GOOD & BAD	17	18	14	13	17	16	14	15	16	13	12	14	8
BAD TIMES	60	52	63	62	57	60	70	66	65	67	64	66	70
NA	5	7	7	7	7	10	6	5	3	4	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY -- THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

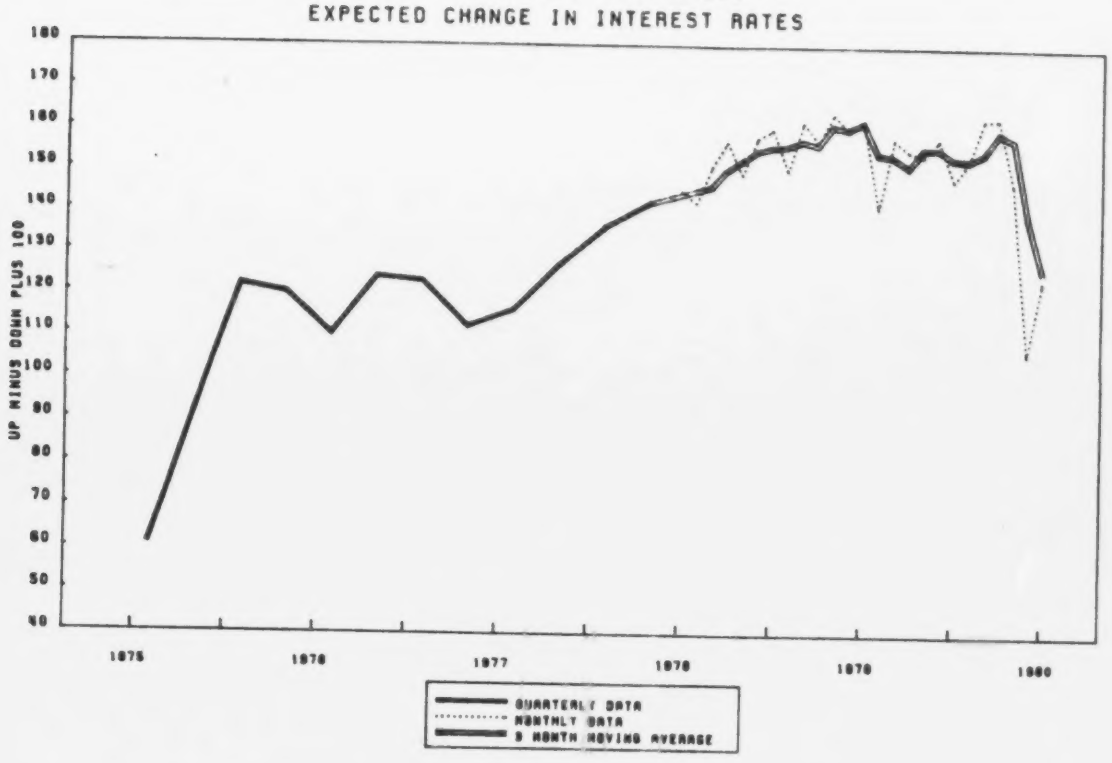

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

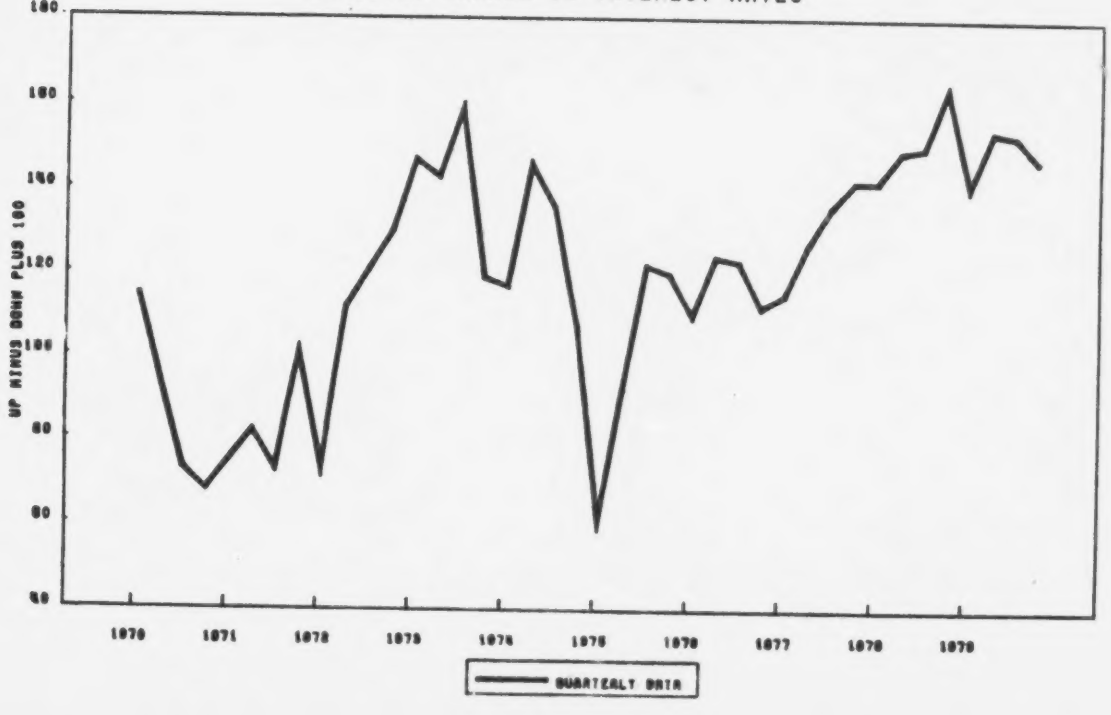

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CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

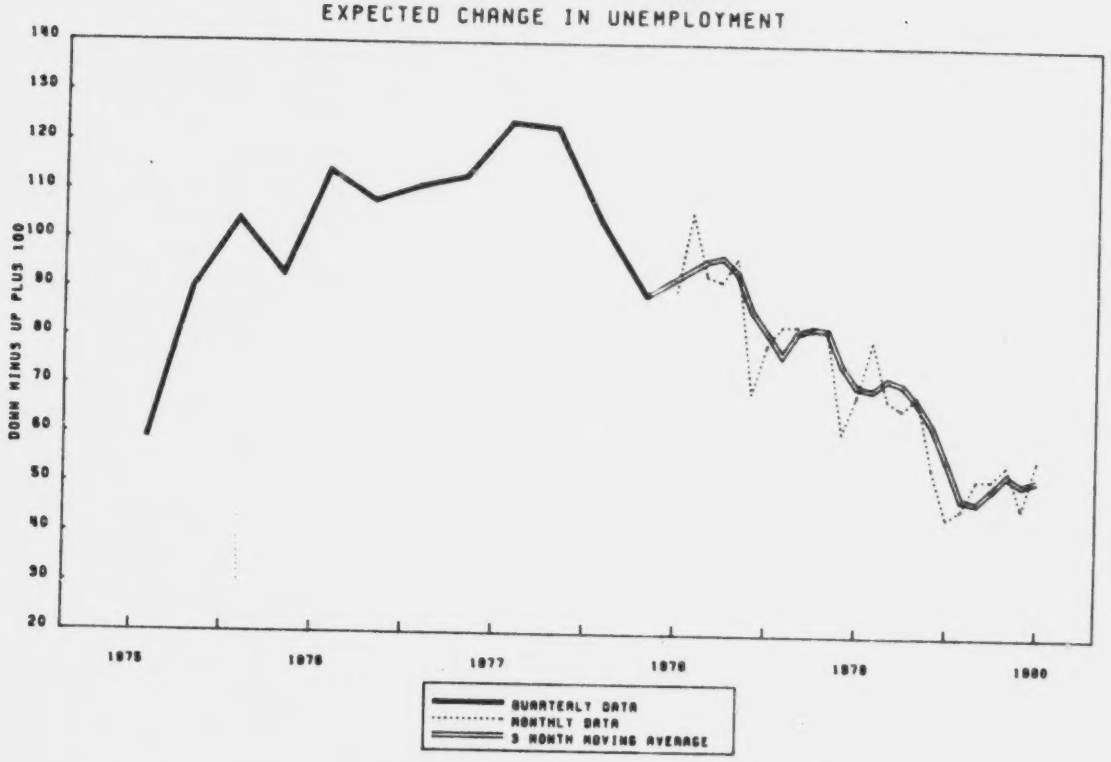

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

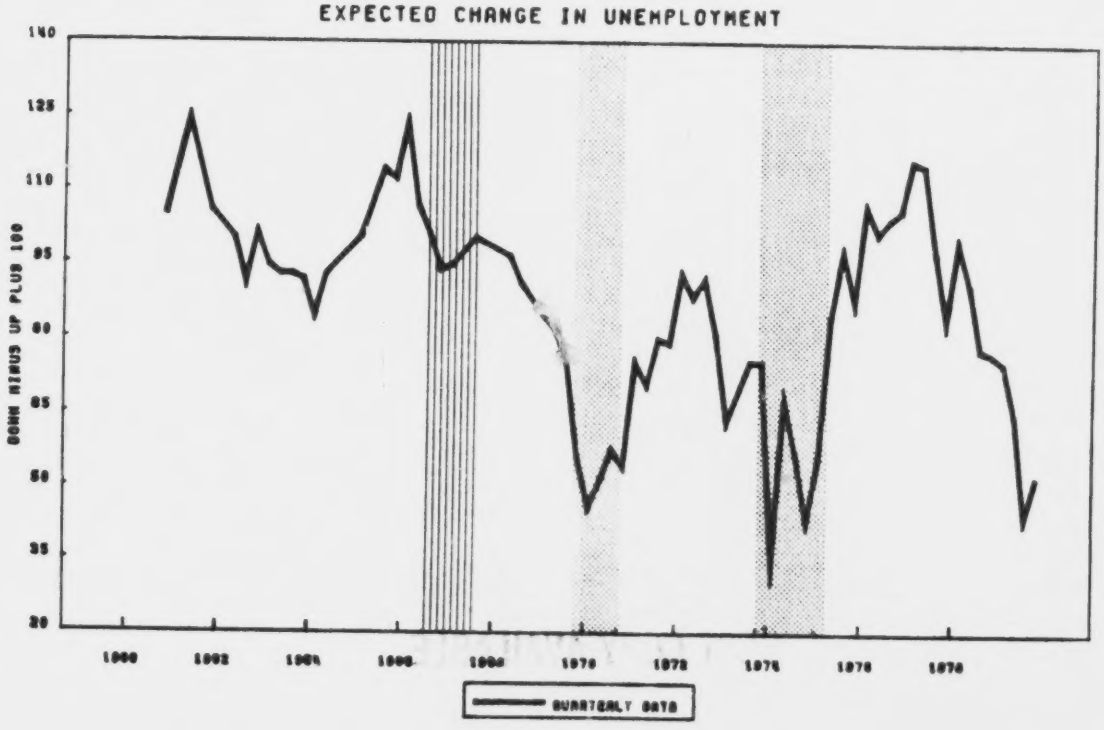

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
LESS	10%	14%	9%	11%	9%	6%	6%	7%	7%	7%	9%	7%	9%
SAME	45	50	46	41	46	39	31	30	36	36	35	30	34
MORE	41	34	41	45	40	52	62	61	55	55	54	61	54
DK, NA	4	2	4	3	5	3	1	2	2	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS -- DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

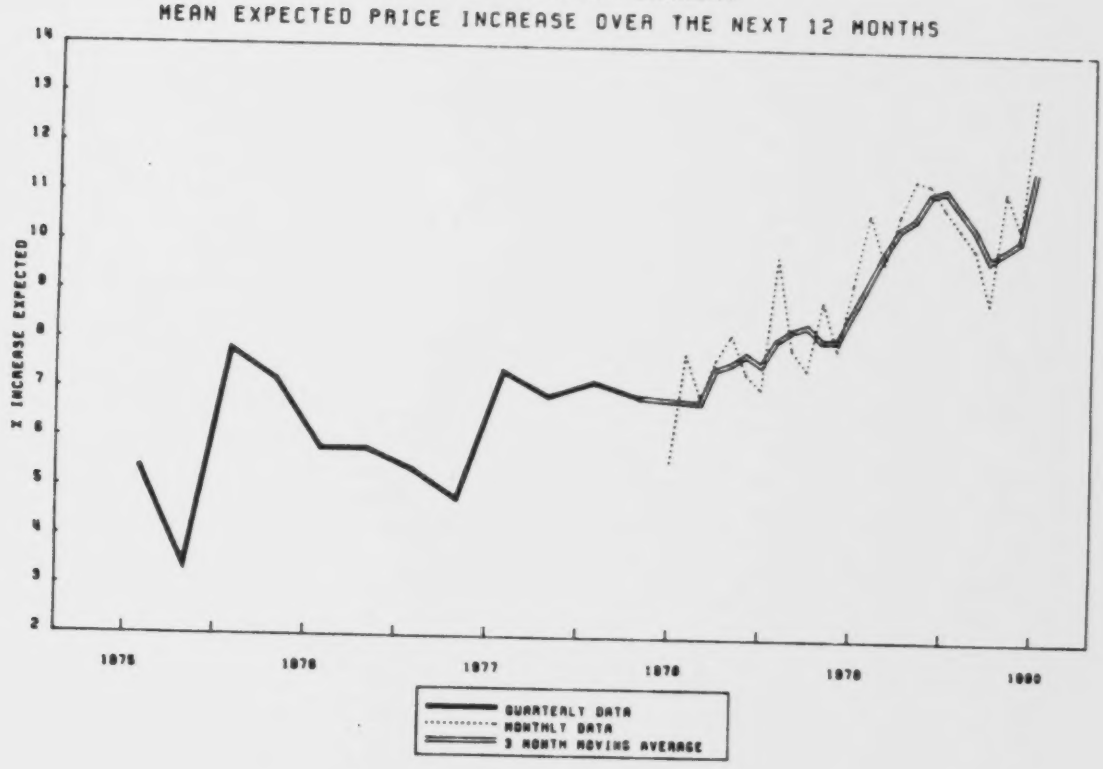

CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

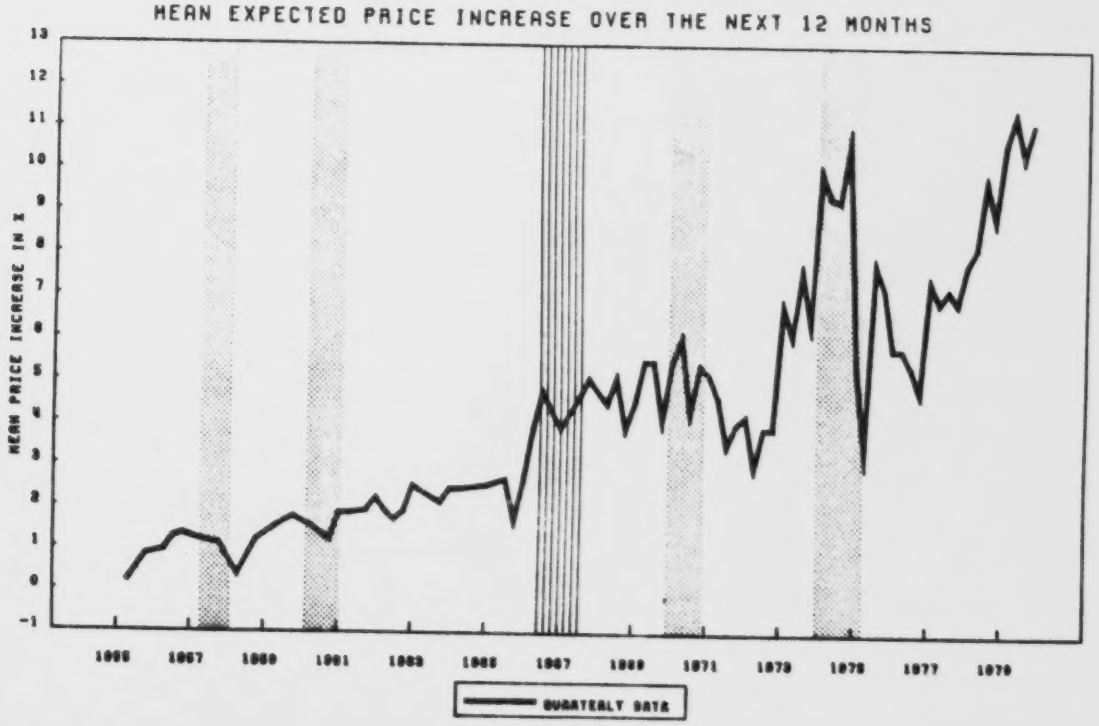

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
SAME OR DOWN	8%	11%	4%	6%	8%	10%	12%	13%	12%	13%	12%	15%	9%
1 - 2% UP	4	2	5	4	3	3	2	2	5	4	2	2	2
3 - 4% UP	5	7	10	6	6	6	5	6	5	6	5	4	4
5% UP	10	9	8	11	10	8	10	9	8	10	7	7	7
6 - 9% UP	25	18	18	14	15	14	12	12	14	14	13	12	12
10% OR MORE	29	39	36	43	45	47	45	47	41	36	48	47	53
DK HOW MUCH UP	18	12	18	15	12	10	11	10	13	16	12	10	11
DK, NA	1	2	1	1	1	2	3	1	2	1	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.3	10.7	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4	13.1

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?"
(IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
UNEMPLOYMENT	24%	24%	27%	21%	18%	23%	26%	27%	26%	25%	24%	28%	26%
EQUALLY SERIOUS	6	7	7	5	9	8	10	9	7	8	8	10	7
INFLATION	66	67	63	71	68	67	62	63	65	65	65	60	64
DK, NA	4	2	3	3	5	2	2	1	2	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

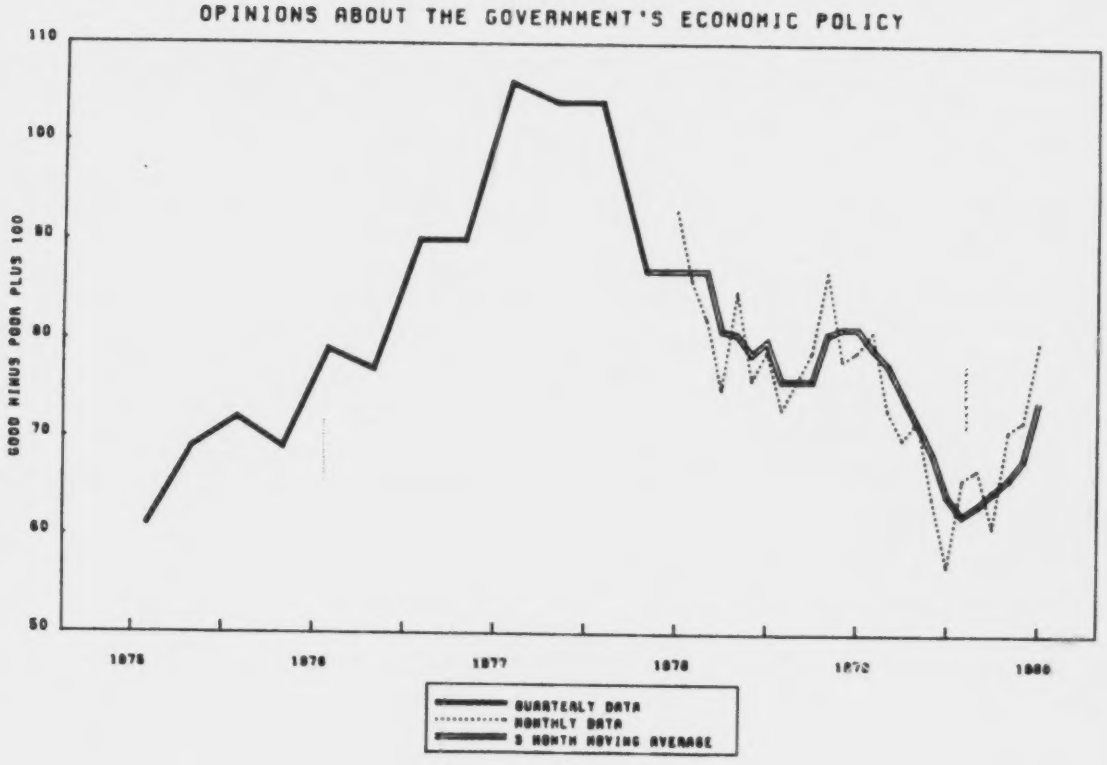

CHART 21 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

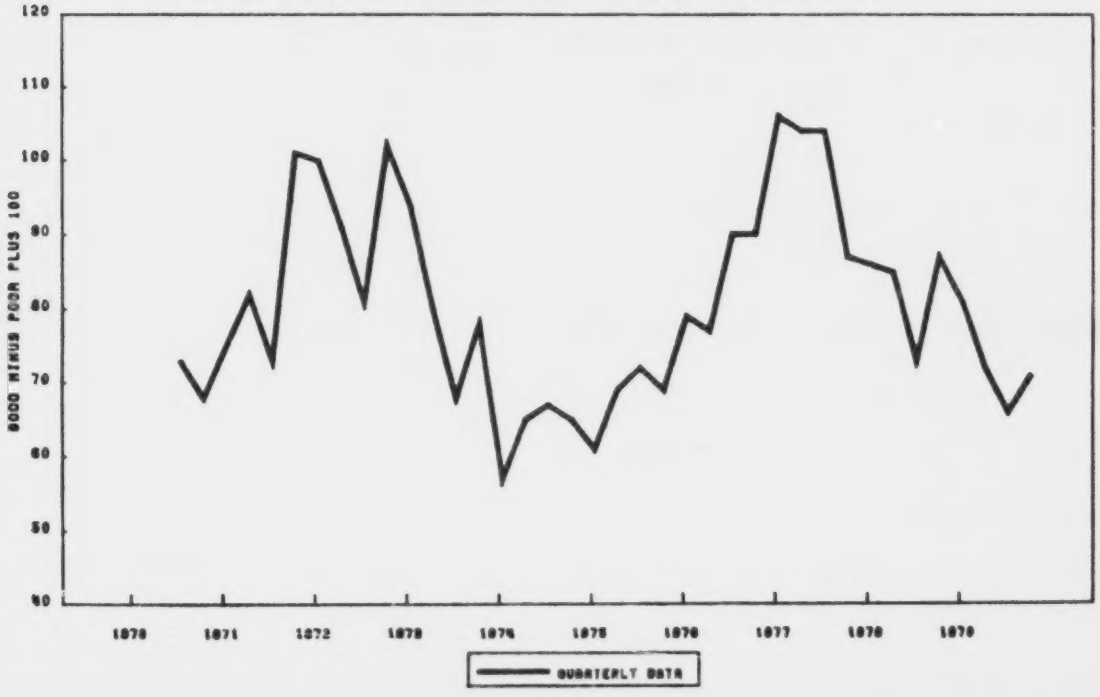

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
A GOOD JOB	9%	12%	9%	9%	10%	7%	5%	8%	7%	6%	10%	9%	11%
ONLY FAIR	55	54	50	48	48	47	43	48	51	46	47	50	54
A POOR JOB	30	31	36	39	38	43	48	42	40	45	39	37	31
DK, NA	6	3	5	4	4	3	4	2	2	3	4	4	4
TAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT -- I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT -- WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

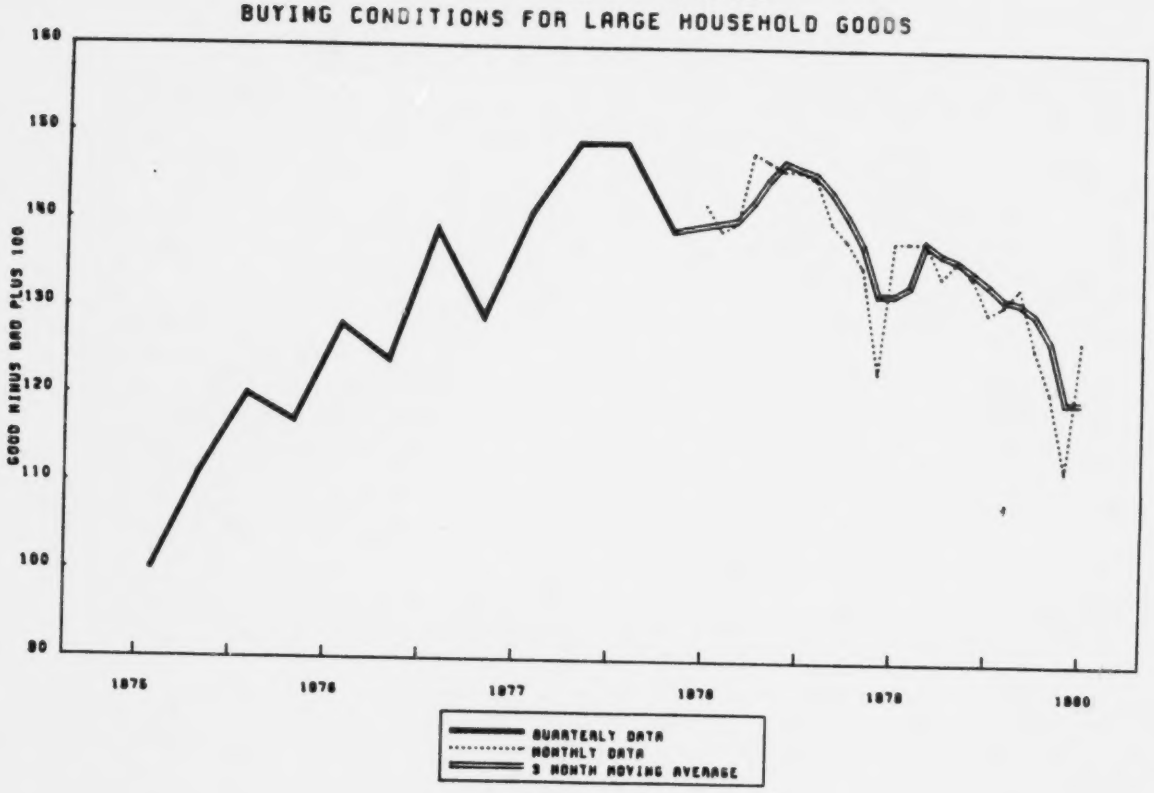

CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

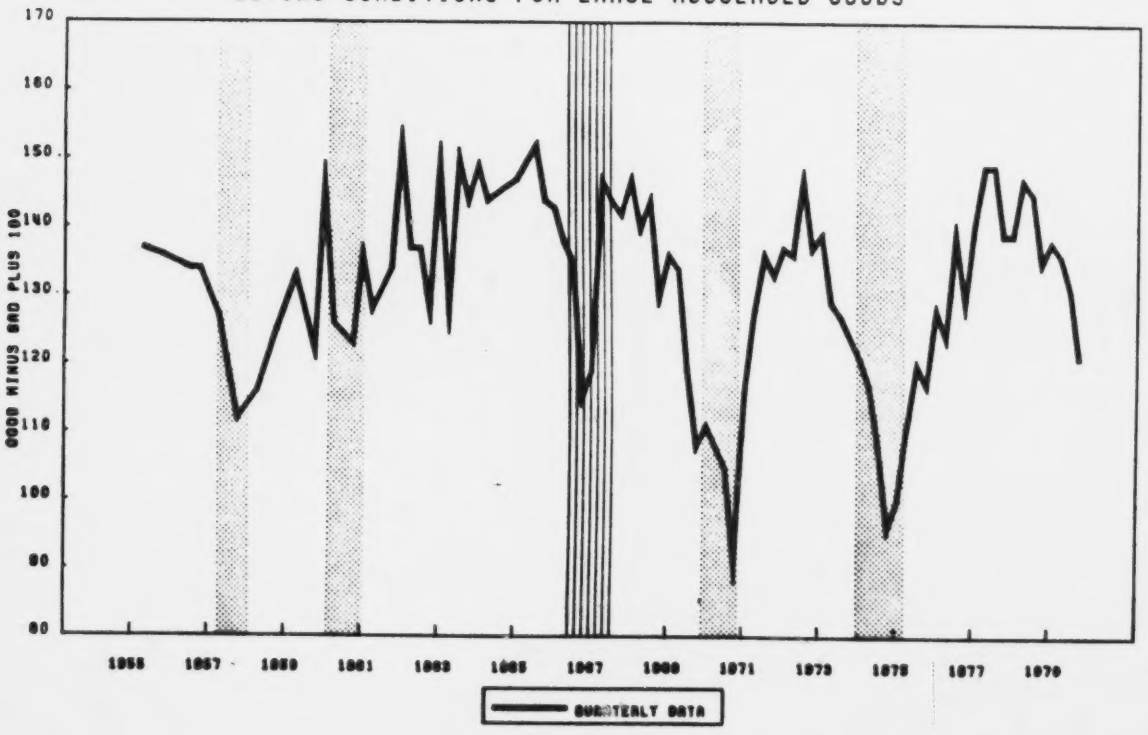

TABLE 23

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY	63%	61%	63%	61%	62%	62%	60%	58%	62%	58%	54%	53%	60%
UNCERTAIN, DEPENDS	12	16	12	12	12	10	10	15	9	10	13	6	7
BAD TIME TO BUY	25	23	25	27	26	28	30	27	29	32	33	41	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE -- SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	12%	21%	11%	6%	17%	10%	9%	19%	13%	8%	18%	12%	17%
PRICES GOING HIGHER; WON'T COME DOWN	48	35	50	53	35	46	46	33	42	48	27	38	47
BAD TIME TO BUY:													
PRICES ARE HIGH; CREDIT; HIGH	19	18	14	15	18	20	19	18	18	18	18	26	20
INTEREST RATES	5	2	4	4	3	6	7	4	8	8	3	12	9

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

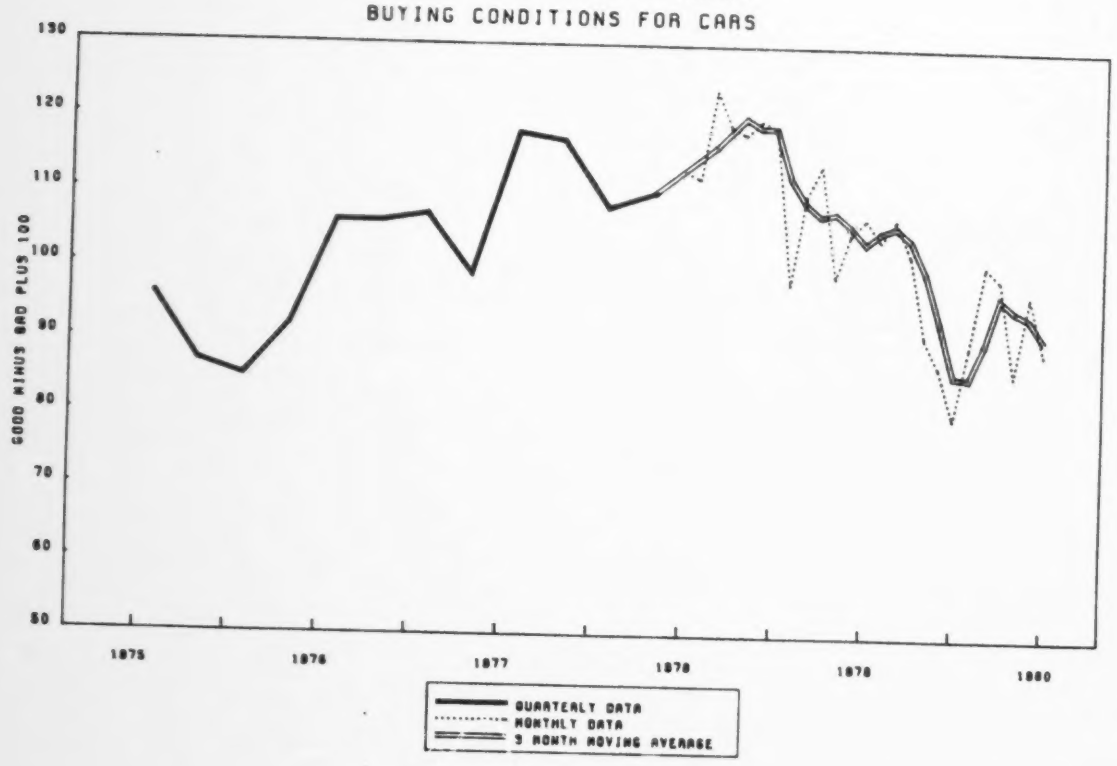

CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

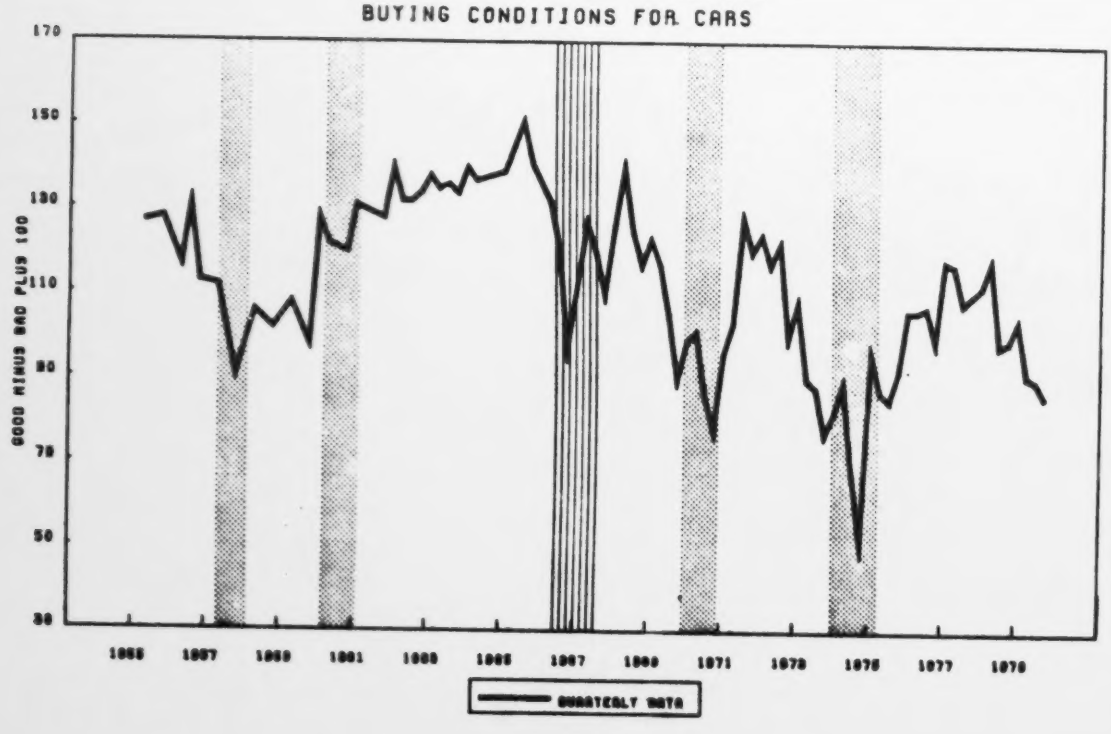

TABLE 25

BUYING CONDITIONS FOR CARS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY	46%	43%	47%	45%	39%	37%	32%	38%	44%	45%	38%	44%	39%
UNCERTAIN, DEPENDS	15	18	13	12	13	13	16	14	12	9	10	9	11
BAD TIME TO BUY	39	39	40	43	48	50	52	48	44	46	52	47	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET -- DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT
BUYING CONDITIONS FOR CARS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	6%	7%	5%	5%	6%	7%	10%	16%	18%	13%	13%	15%	12%
PRICES GOING HIGHER; WON'T COME DOWN	33	29	35	30	22	21	17	13	21	23	16	21	22
NEW FUEL EFFICIENT MODELS	1	4	7	12	15	12	11	11	9	8	8	10	8
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	29	30	31	21	26	25	27	27	25	27	30	27	31
CREDIT; HIGH INTEREST RATES	5	6	6	5	5	3	4	7	6	8	18	16	13
ENERGY CRISIS	5	3	14	19	22	26	25	18	14	13	10	12	19

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 27 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

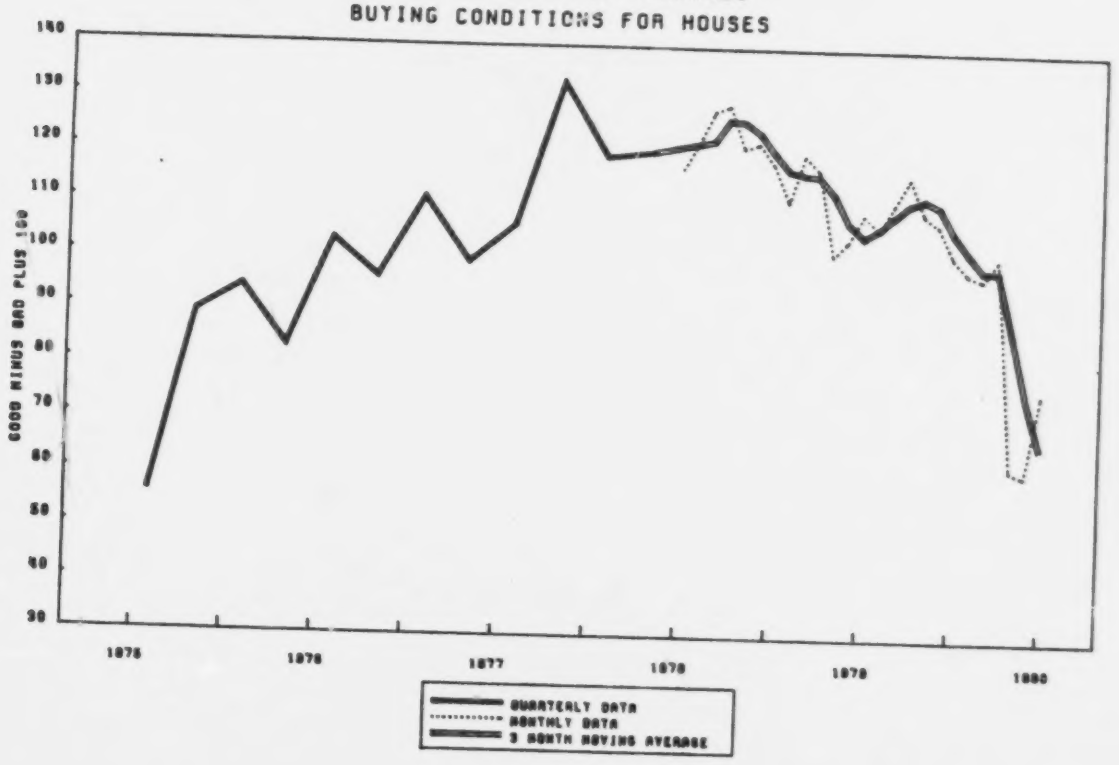

CHART 27 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

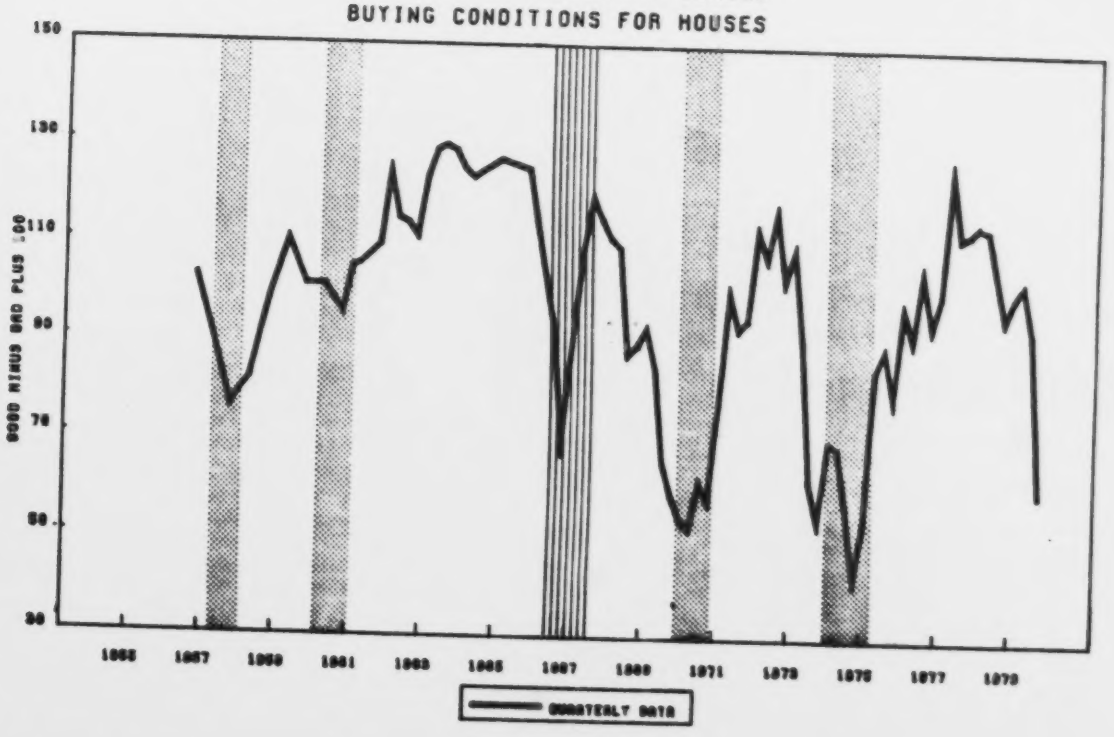

TABLE 27

BUYING CONDITIONS FOR HOUSES

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY	50%	49%	50%	54%	51%	50%	48%	46%	46%	48%	28%	27%	36%
UNCERTAIN, DEPENDS	9	8	11	8	7	7	5	6	5	5	6	7	4
BAD TIME TO BUY	41	43	39	38	42	43	47	48	49	47	66	66	60
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"